

Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

HOUSE ENROLLED ACT No. 1231

AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 36-7-31.3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. This chapter applies only to:

- (1) a city; ~~or~~
- (2) a county without a consolidated city; **or**
- (3) **a school corporation located in a county without a consolidated city;**

that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, ~~a~~ **the** school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

SECTION 2. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. As used in this chapter, "covered taxes" means **the portion of** the following **taxes that is attributable to the operation of a qualified facility:**

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- ~~(4) a food and beverage tax imposed under IC 6-9-~~

SECTION 3. IC 36-7-31.3-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. (a) A city or county legislative body **or the governing body of a school corporation** may ~~establish~~ **include** as part of a professional sports and convention development area any facility that is:

(1) owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise **for practice or competitive sporting events**; or

(2) owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and **is one (1) of the following**:

(A) A facility used **principally** for convention or tourism related events **serving national or regional markets**.

(B) An airport.

(C) A museum.

(D) A zoo.

(E) A facility used for public attractions of national significance.

(F) One (1) facility in the county that is a performing arts venue.

(G) A county courthouse registered on the National Register of Historical Places.

A facility may not include a private golf course or related improvements. A tax area that is not located in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000) must include at least one (1) facility described in subdivision (1). The tax area may include only facilities described in this section and any parcel of land on which the facility is located. An area may contain noncontiguous tracts of land within the city, ~~or~~ county, ~~or~~ school corporation.

(b) The tax area may contain facilities not owned by the designating body, if:

(1) the facility is owned by a city, the county, or a board established under IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(2) an agreement exists specifying the distribution and uses of the covered taxes to be allocated under this chapter.

SECTION 4. IC 36-7-31.3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9. (a) A tax area must be initially established by resolution before July 1, ~~1999~~, **2001**, according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. **However, a school**



corporation that owns a qualifying facility may establish an area.

A tax area may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area.

(b) In establishing the tax area, the city or county legislative body **or the governing body of a school corporation** must make the following findings instead of the findings required for the establishment of economic development areas:

(1) There is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used:

(A) by a professional sports franchise; or

(B) for convention or tourism related events.

(2) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(3) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the ~~county~~ **designating body** to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit. **Only one (1) area may be created in each county.**

SECTION 5. IC 36-7-31.3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. (a) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports and convention development area fund established for the city, ~~or~~ county, **or school corporation.** The allocation provision must apply to the entire tax area. The resolution must provide the tax area terminates not later than December 31, 2027.

(b) In addition to subsection (a), all of the salary, wages, bonuses, and other compensation that are:

(1) paid during a taxable year to a professional athlete for professional athletic services;

(2) taxable in Indiana; and

(3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

(c) The total amount of state revenue captured by the tax area may not exceed five dollars (\$5) per resident of the city, ~~or~~ county, **or**

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school corporation, per year for twenty (20) consecutive years.

(d) The resolution establishing the tax area must designate the facility or proposed facility and the facility site for which the tax area is established.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 6. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the city or county legislative body **or school corporation governing body** shall submit the resolution to the budget committee for review and recommendation to the budget agency.

SECTION 7. IC 36-7-31.3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 13. When the city or county legislative body **or school corporation governing body** adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

- (1) Employers in the tax area.
- (2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

SECTION 8. IC 36-7-31.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. **For tax areas covered by section 8(b) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each participant in the agreement specifying the distribution and uses of covered taxes to be allocated under this chapter.**

SECTION 9. IC 36-7-31.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for:

- (1) a capital improvement that will construct or equip a facility:
 - (A) owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise; or
 - (B) owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention and tourism related events; or
- (2) the financing or refinancing of a capital improvement



described in subdivision (1) or the payment of lease payments for a capital improvement described in subdivision (1).

SECTION 10. IC 36-7-31.3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 20. The city or county legislative body **or school corporation governing body** shall repay to the professional sports development area fund any amount that is distributed to the city or county legislative body **or school corporation governing body** and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

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Speaker of the House of Representatives

President of Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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